

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

SHREVEPORT, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2011

Marsha O. Millican
A Professional Accounting Corporation
Shreveport, Louisiana

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

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Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Louisiana Association on Compulsive Gambling
of Northwest Louisiana, Inc.
Shreveport, Louisiana

I have audited the accompanying statement of financial position of Louisiana Association on Compulsive Gambling (a non-profit organization) as of and for the year ended June 30, 2011. These financial statements are the responsibility of Council's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Association on Compulsive Gambling as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated December 19, 2011 on my consideration of Louisiana Association on Compulsive Gambling's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of my audit.

My audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of state contracts listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. That schedule has been subjected to the auditing procedures applied in the audit of the financial statements and, in my opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Marsha O. Millican

Certified Public Accountant
December 19, 2011

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Financial Position

June 30, 2011

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 193,534
Grants and Contracts Receivable	<u>132,634</u>

Total Current Assets	326,168
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PROPERTY AND EQUIPMENT (NET)	<u>503,084</u>
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Total Assets	<u><u>\$ 829,252</u></u>
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LIABILITIES AND NET ASSETS

Accounts Payable and Accrued Expenses	\$ 28,155
Compensated Absences Payable	14,089
Notes Payable - Current Maturities	<u>16,517</u>

Total Current Liabilities	58,761
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LONG-TERM LIABILITIES

Notes Payable - net of Current Portion	<u>173,587</u>
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Total Liabilities	232,348
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Net Assets:

Unrestricted	596,904
Temporarily Restricted	<u>-</u>

Total Net Assets	<u>596,904</u>
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Total Liabilities and Net Assets	<u><u>\$ 829,252</u></u>
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The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Activities

For the Year Ended June 30, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Support:				
Contributions	\$ 138,897	\$ -	\$ -	\$ 138,897
Total Support	<u>138,897</u>	<u>-</u>	<u>-</u>	<u>138,897</u>
Revenues:				
Client Fees	167,500	-	-	167,500
Program Service Fees	1,374,314	-	-	1,374,314
Miscellaneous	<u>7,796</u>	<u>-</u>	<u>-</u>	<u>7,796</u>
Total Revenues	<u>1,549,610</u>	<u>-</u>	<u>-</u>	<u>1,549,610</u>
Total Support and Revenue	<u>1,688,507</u>	<u>-</u>	<u>-</u>	<u>1,688,507</u>
Net Assets Released from Restrictions:				
Satisfaction of Usage Restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>1,688,507</u>	<u>-</u>	<u>-</u>	<u>1,688,507</u>
EXPENSES				
Program Expenses	1,323,498	-	-	1,323,498
Management and General	<u>217,183</u>	<u>-</u>	<u>-</u>	<u>217,183</u>
Total Expenses	<u>1,540,681</u>	<u>-</u>	<u>-</u>	<u>1,540,681</u>
Change in Net Assets	147,826	-	-	147,826
Net assets, beginning of year	<u>449,078</u>	<u>-</u>	<u>-</u>	<u>449,078</u>
Net assets, end of year	<u>\$ 596,904</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 596,904</u>

The accompanying notes are an integral part of this statement.

Louisiana Association on Compulsive Gambling

Statement of Functional Expenses

Year Ended June 30, 2011

	CORE	Help Line Center	Intensive Outpatient Program	Suicide Line	Management and General	Total
Salaries	\$ 301,365	\$ 309,090	\$ 57,746	\$ 71,568	\$ 109,661	\$ 849,430
Payroll Taxes	25,574	28,062	4,830	5,012	8,516	71,994
Professional Fees	37,937	29,409	76,934	7,396	36,437	188,113
Food and Beverage	50,752	-	-	-	-	50,752
Equipment Rental	3,452	466	522	-	-	4,440
Utilities and Telephone	29,047	49,804	5,547	4,061	3,963	92,422
Rent	-	16,086	3,690	2,520	3,760	26,056
Supplies	5,002	7,396	-	-	-	12,398
Insurance	30,697	17,020	9,724	6,185	10,249	73,875
Repair and Maintenance	20,136	1,831	11	198	11	22,187
Auto	1,085	5,220	950	840	968	9,063
Licenses, Permits and Fees	1,680	35	-	-	-	1,715
Office Supplies	7,889	9,965	3,050	555	4,653	26,112
Travel	1,824	3,561	-	64	20,144	25,593
Printing and Literature	2,482	62	64	-	3,063	5,671
Dues and Subscriptions	634	204	285	-	5,754	6,877
Postage and Shipping	989	2,838	331	107	1,074	5,339
Miscellaneous	12,619	1,039	1,350	18	6,487	21,513
Depreciation	19,478	8,367	2,800	783	1,234	32,662
Interest	12,026	58	58	58	58	12,258
Advertising and Promotion	1,060	-	-	-	1,151	2,211
Total Expenditures	<u>\$ 565,728</u>	<u>\$ 490,513</u>	<u>\$ 167,892</u>	<u>\$ 99,365</u>	<u>\$ 217,183</u>	<u>\$ 1,540,681</u>

The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Statement of Cash Flows

For the Year Ended June 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ 147,826
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	32,662
Changes in assets and liabilities:	
Increase in grants and contracts receivable	(18,722)
Increase in accounts and accrued expenses	5,961
Decrease in compensated absences	<u>(742)</u>
Net cash provided by operating activities	<u>166,985</u>

CASH FLOWS USED BY INVESTING ACTIVITIES:

Purchase of fixed assets	<u>(17,709)</u>
Net cash provided by investing activities	<u>(17,709)</u>

CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:

Proceeds from borrowings	-
Principal payments on debt	<u>(15,868)</u>
Net cash used by financing activities	<u>(15,868)</u>

Net increase in cash	133,408
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>60,126</u>
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CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 193,534</u></u>
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Supplemental disclosures of cash flow information:

Cash paid during the year for interest expense	<u><u>\$ 12,258</u></u>
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The accompanying notes are an integral part of this statement.

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. General:

Louisiana Association on Compulsive Gambling is a nonprofit organization exempt for Federal income tax purposes under Section 501(C)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

B. Nature of Activities:

The purpose of the Association is to continue heightening public awareness that compulsive gambling is a preventable and treatable disease, through a combined strategy of educational, public policy changes and the efforts of individuals, families and all elements of the community working in concert.

C. Basis of Accounting:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification, the single source of authoritative accounting principles generally accepted in the United States of America. (US GAAP) Under the Codification, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net asset, temporarily restricted net assets, and permanently restricted net assets.

D. Support and Revenue:

The Association receives its program service fees primarily from the State of Louisiana Department of Health and Hospitals and other State Agencies. Support and revenue received from those grants and contracts is recognized on a "net funded" basis whereby State of Louisiana Department of Health and Hospitals, Office for Addictive Disorders funding is recognized on a last-dollar-in basis. Related expenses incurred are "netted" first by client fees and food stamp income in determining grant funds to be recognized.

E. Cash and Cash Equivalents:

For purposes of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

F. Property and Equipment:

Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from twenty five years for leasehold improvements and five to seven years for furniture and equipment.

(Continued)

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (CONTINUED)

G. Contributions and Memberships:

All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net asset are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Memberships are essentially honorary, as no goods or services are provided to the members in exchange for their membership dues.

H. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. Functional Allocation of Expenses:

The costs of providing the Association's various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

2. Grants and Contracts Receivable:

Grants and contracts receivable at June 30, 2011 are as follows:

Department of Health and Hospitals	\$ 87,412
Other Receivables	<u>45,222</u>
Total	<u>\$132,634</u>

All grants and contracts receivable at June 30, 2010, are fully collectible.

(Continued)

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2011

3. Property and Equipment:

Property and Equipment consists of the following:

Building and Land	\$ 375,000
Leasehold Improvements	209,795
Furniture and Fixtures	77,027
Equipment & Vehicles	<u>189,277</u>
	851,099
Less Accumulated Depreciation	<u>(348,015)</u>
Property and Equipment - Net	<u>\$ 503,084</u>

4. Rental Expense:

The Association leased the facilities that house its treatment center, help line, intensive outpatient program and its administrative offices during the year on a month to month basis. Rent expense paid the the year totaled \$24,600.

5. Notes Payable:

Notes payable at June 30, 2011 consisted of the following:

Note payable to Capital One, interest at 5.950%, dated April 22, 2005, due on demand; if no demand is made, the note is due in 180 monthly installments of \$2,320 collateralized by building and land at 635 Stoner Street	\$ 190,104
Less: current maturities	<u>16,517</u>
Notes payable - long term	<u>\$ 173,587</u>

Maturities of long-term debt including interest of \$53,131 are as follows: Year ended June 30, 2012- 27,828; 2013 - 27,828; 2014 - 27,828; 2015- 27,828; 2016- 27,828 2017 and thereafter -104,095.

(Continued)

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Notes to Financial Statements

June 30, 2011

6. Economic Dependency

The Association received sixty seven (67) percent of its program service fees from seven contracts through the State of Louisiana. The contracts are appropriated each year by federal and state governments. If budgetcuts are made at the federal and/or state government level, the amount of funds the Council receives could be reduced and have an adverse impact on its operations. Management is not aware of any actions that will adversely affect the amount of funds the Association will receive in the next fiscal year.

7. Subsequent Events

Management has evaluated subsequent events through December 19, 2011, the date that the financial statements were available to be issued, and determined that no additional disclosure are necessary

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of State Contracts

For the Year Ended June 30, 2011

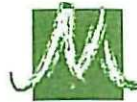
<u>PROGRAM TITLE</u>	<u>CONTRACT NUMBER</u>	<u>PROGRAM OR AWARD AMOUNT</u>	<u>REVENUE RECOGNIZED</u>	<u>EXPENDITURES</u>
Louisiana Department of Health and Hospitals				
Core Treatment Center	054650	\$ 462,900	\$ 432,283	\$ 432,283
Help Line	054682	430,700	399,595	399,595
Intensive Outpatient Treatment	054651	150,000	149,773	149,773
Video Poker Addiction Training	055161	8,500	8,500	8,500
Suicide Hotline	053457	328,050	104,308	104,308
Gambling Outpatient	054659	<u>74,760</u>	<u>41,430</u>	<u>41,430</u>
Total - All State Contracts		<u>\$ 1,454,910</u>	<u>\$ 1,135,889</u>	<u>\$ 1,135,889</u>

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Corrective Action Taken on Prior Year Findings

For the Year Ended June 30, 2011

There were no findings for the year ended June 30, 2010.



Marsha O. Millican

A PROFESSIONAL ACCOUNTING CORPORATION

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Louisiana Association on Compulsive Gambling
Shreveport, Louisiana

I have audited the financial statements of Louisiana Association on Compulsive Gambling as of and for the year ended June 30, 2011, and have issued my report thereon dated December 19, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Louisiana Association on Compulsive Gambling's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, I do not express an opinion on the effectiveness of the Association's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Associations financial statements will not be prevented, or detected on a timely basis. a material weaknesses is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Association on Compulsive Gambling's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

810 WILKINSON
SHREVEPORT, LA 71104-3036
(318) 221-3881
FAX: (318) 221-4641

This report is intended solely for the information and use of management and federal and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Marta D. Millican

Certified Public Accountant
December 19, 2011

LOUISIANA ASSOCIATION ON COMPULSIVE GAMBLING

Schedule of Findings

For the Year Ended June 30, 2011

Summary of Audit Results

1. The auditor's report expressed an unqualified opinion on the financial statements.
2. No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.
3. No instances of noncompliance were disclosed during the audit.

There were no findings for the year ended June 30, 2011.